

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE NAVAL TRAINING CENTER
GREAT LAKES, ILLINOIS

Report No. 96-128

May 24, 1996

19991206 131

Department of Defense

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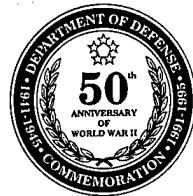
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Acronyms

BEQ	Bachelor Enlisted Quarters
BRAC	Base Realignment and Closure
MILCON	Military Construction
NTC	Naval Training Center
RTC	Recruit Training Command



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



May 24, 1996

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)**

**SUBJECT: Audit Report on the Defense Base Realignment and Closure Budget Data
for the Naval Training Center Great Lakes, Illinois (Report No. 96-128)**

We are providing this audit report for your review and comments. This report is one in a series of reports about Defense base realignment and closure military construction costs. Management comments on a draft of this report were considered in preparing the final report.

DoD Directive 7650.3 requires that all recommendations and potential monetary benefits be resolved promptly. Because the Under Secretary of Defense (Comptroller) did not comment on a draft of this report, we request that the Under Secretary provide comments on Recommendation 1. by July 24, 1996. Navy comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required from the Navy.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Michael A. Joseph, Audit Program Director, or Mr. Timothy J. Tonkovic, Audit Project Manager, at (804) 766-2703. See Appendix G for the report distribution. The audit team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 96-128
(Project No. 6CG-5001.07)

May 24, 1996

Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois

Executive Summary

Introduction. This report is one in a series of reports about Defense base realignment and closure military construction costs. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Office of the Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. Our audits include all projects valued at more than \$1 million.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. The specific objectives were to determine whether the proposed military construction projects were based on valid Defense base realignment and closure requirements, whether the decision for military construction was supported with required documentation, including an economic analysis, and whether the economic analysis considered existing facilities.

This report provides the results of the audit of project P-164T, "Fire Station," valued at \$2.6 million. The report also discusses information from four other projects that resulted from the realignment of the Naval Training Center Orlando, Florida; the Naval Training Center San Diego, California; and the Naval Station Treasure Island, San Francisco, California, to the Naval Training Center Great Lakes, Illinois.

Audit Results. The Naval Training Centers Orlando and San Diego were recommended for closure by the 1993 Commission on Defense Base Closure and Realignment. As a result, the Recruit Training Command Great Lakes is the only recruit training center in the Navy. Additionally, the number of basic and advanced courses at Naval Training Center Great Lakes increased significantly, with a corresponding increase in training work load and student population. Although we have taken exception to some of the base realignment and closure military construction projects, Naval Training Center Great Lakes is commended for contributing to the successful consolidation of the Naval Training Centers.

The Navy planned to construct a new fire station at Naval Training Center Great Lakes that was not a valid base realignment and closure project. By canceling the project, DoD could put to better use up to \$2.6 million in FY 1997 Defense Base Closure Account, Military Construction funds. See Part I for a discussion of the audit results. See Appendix E for a summary of the potential benefits resulting from the audit.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) delete \$2.6 million of Defense Base Closure Account funds for project P-164T, "Fire Station," and reprogram the funds for other valid base realignment and closure requirements. We also recommend that the Commander, Naval Training Center Great Lakes, cancel base realignment and closure project P-164T.

Management Comments. The Under Secretary of Defense (Comptroller) did not respond to a draft of this report. However, the Navy concurred with the recommendation for the Under Secretary of Defense (Comptroller) to delete \$2.6 million of Defense Base Closure Account funds for the fire station project and reprogram the funds for other valid base realignment and closure requirements. The Navy also agreed to cancel the project. See Part I for a summary of management comments, and Part III for the complete text of management comments.

Audit Response. We consider the Navy comments responsive. The Under Secretary should provide comments on the final report by July 24, 1996.

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Part I - Audit Results

Audit Results

Audit Background

The Office of the Inspector General, DoD, is performing various audits of the Defense base realignment and closure (BRAC) process. This report provides the results of the audit of project P-164T, "Fire Station," valued at \$2.6 million. This report is one in a series of reports about BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix C.

Inspector General, DoD, Report No. 95-154, "Audit of Construction Budget Data for Realigning Naval Training Centers Orlando and San Diego to Various Locations," March 21, 1995, stated that in the FYs 1994 and 1995 budget submission, the Navy overestimated BRAC requirements for reactivating and renovating three bachelor enlisted quarters (BEQs) at Naval Training Center (NTC) Great Lakes. Inspector General, DoD, Report No. 93-099, "Quick-Reaction Report on Base Realignment and Closure Budget Data for the Collocations of Army and Navy Blood and Dental Research Programs," May 24, 1993, stated that facility construction and renovation requirements for collocation of blood and dental research programs from Washington, DC, and Fort Meade, Maryland, were excess to authorized needs at NTC Great Lakes. We included those projects as part of this audit of BRAC budget data at NTC Great Lakes as followup on the previous audits. See Appendix D for a discussion of those projects.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed projects were based on valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. Another objective was to assess the adequacy of the management control program as it related to the overall objective. We did not assess the adequacy of the management control program as part of this audit because the management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

We obtained information on five planned MILCON projects at NTC Great Lakes and the Recruit Training Command (RTC) Great Lakes. Table 1 describes the projects that this audit reviewed.

Audit Results

Table 1. NTC and RTC Great Lakes BRAC MILCON Projects

<u>Project Number</u>	<u>Project Location</u>	<u>Description</u>	DD Form 1391 Amount (in millions)
P-164T	NTC Great Lakes	Fire Station	\$ 2.56
P-569S	NTC Great Lakes	Collocate Dental Research Facilities	5.28
P-582T	NTC Great Lakes	BEQ Renovation	10.02
P-585T	NTC Great Lakes	BEQ Facility Upgrades	2.60
P-588T	RTC Great Lakes	BEQ Reactivation	<u>3.65</u>
Total			\$ 24.11

See Appendix A for a discussion of the audit process and Appendix B for a summary of prior coverage related to the audit objectives.

Fire Station

The Navy planned to construct a fire station at NTC Great Lakes that was not a valid BRAC requirement. The condition occurred because the Deputy Chief of Naval Operations (Logistics) directed the Naval Facilities Engineering Command to include the fire station as a BRAC requirement at NTC Great Lakes. By canceling the fire station project, DoD could put to better use \$2.6 million in Defense Base Closure Account funds.

Consolidation of Naval Training Centers

The Naval Training Centers Orlando and San Diego and the Naval Station Treasure Island were recommended for closure and realignment by the 1993 Commission on Defense Base Closure and Realignment. As a result, the RTC Great Lakes is the only recruit training center in the Navy. Additionally, the number of basic and advanced courses at NTC Great Lakes increased from 90 to about 140, with a corresponding increase in training work load and student population.

There are 26 BRAC MILCON projects at NTC and RTC Great Lakes that have been completed, are under construction, or are in the process of being awarded. The 26 projects, costing about \$160 million, were programmed to accommodate the increased training requirement.

Criteria

Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC.

The DD Form 1391, "Military Construction Project Data," is the principal programming document used for DoD MILCON projects. It contains detailed summary information including assumptions, cost estimates, descriptions, requirements justifications, and other pertinent backup information to support the project during the review and approval process.

Replacement Fire Station

Project Scope. Project P-164T, "Fire Station," is for a new 15,500-square foot fire station to replace and consolidate two existing fire stations (buildings 108H and 2912) built in the 1940s. The new station will provide fire protection for all buildings on the west side of NTC Great Lakes. It will also provide space for hazardous substance initial response and containment equipment.

The NTC Great Lakes complex is divided by the Chicago and Northwestern Railway (the Railway). BEQs, the Naval hospital, the Service School Command, and tenant activities are located east of the Railway. Most of the buildings on the east side are brick, and are either newly renovated or newly constructed. The RTC and about 2,000 family housing units are located west of the Railway. Most of the buildings located at the RTC are barracks, drill halls, and introductory schools and are wood structures. The Veterans Administration Medical Center, located next to the RTC, also receives fire protection services from the NTC Great Lakes Fire Department.

Existing Fire Protection Facilities. Three fire stations provide fire protection services to NTC Great Lakes. Table 2 provides information on the existing fire protection facilities.

Table 2. Fire Protection Facilities at Great Lakes

<u>Building Number</u>	<u>Location</u>	<u>Year Built</u>	<u>Square Feet</u>	<u>Building Condition</u>
106	NTC Great Lakes	1939	16,197	Inadequate
108H	Naval Hospital	1943	3,680	Inadequate
2912	RTC Great Lakes	1942	4,072	Substandard

*Navy Facilities Engineering Command Instruction 11010.44, "Shore Facilities Planning Manual," October 1, 1990, defines an inadequate facility as one that cannot be made adequate for its present use through economically justifiable means. A substandard facility is capable of supporting its current use, but requires modifications or repairs.

The NTC Fire Department Headquarters, hazardous substance initial response and containment equipment, and two fire companies are located east of the Railway in building 106. Buildings 108H and 2912 are single company fire stations with each station maintaining a pumper fire truck and an ambulance. Buildings 108H and 2912 were constructed as temporary wood frame facilities, with asbestos siding, and are in a state of major deterioration. In anticipation of project P-164T and its predecessor, project P-164, the Navy performed minimal maintenance and repair during the past 5 years on buildings 108H and 2912.

The Navy converted project P-164, that was included in the FY 1997 MILCON program, to BRAC MILCON project P-164T. There have been no BRAC related changes in the project scope.

Conversion to a BRAC Project. On December 21, 1994, the Deputy Chief of Naval Operations (Logistics) directed the Naval Facilities Engineering Command to convert MILCON project P-164 to BRAC MILCON project P-164T. On January 25, 1995, the Commander, Naval Facilities Engineering Command included project P-164T in the FY 1997 BRAC MILCON program for NTC Great Lakes.

Non-BRAC Changes in Project Scope. None of the changes in the project scope have been BRAC related. In August 1965, the Navy identified project P-164, "Fire Station," as a MILCON requirement based on an inspection of the existing fire protection facilities. In the 1980s, NTC Great Lakes modified the project to consolidate the two fire stations in buildings 108H and 2912 into one 8,000 square foot fire station. In December 1991, NTC Great Lakes increased the size of the proposed fire station to 11,900 square feet to accommodate administrative space, a classroom, an exercise room, and a fire extinguisher repair room. To further accommodate fire apparatus and personnel space requirements, NTC Great Lakes increased the size of the proposed fire station to 13,250 square feet in April 1992. In a July 1995 non-BRAC related decision, NTC Great Lakes transferred the initial response and containment responsibilities for hazardous substances from the public works center to the fire department. As a result of that action, the project size increased to 15,500 square feet.

Summary. Although project P-164T is not a valid BRAC requirement, we agree that NTC Great Lakes needs to improve its fire protection facilities. However, the improvements should be funded with Navy MILCON funds.

Recommendations and Management Comments

1. We recommend that the Under Secretary of Defense (Comptroller) delete \$2.6 million of Defense Base Closure Account funds for project P-164T, "Fire Station," and realign the funds to other unfunded projects.

Management Comments. The Under Secretary of Defense (Comptroller) did not comment on a draft of this report. We request that the Under Secretary provide comments in response to the final report. Although not required to comment, the Navy agreed that \$2.6 million of Defense Base Closure Account funds for the fire station project should be deleted and reprogrammed for other valid base realignment and closure requirements.

2. We recommend that the Commander, Naval Training Center Great Lakes, cancel base realignment and closure military construction project P-164T, "Fire Station," and delete the project, valued at \$2.6 million, from the FY 1997 budget.

Management Comments. The Navy concurred with the recommendation and stated that the project P-164T, "Fire Station" has been canceled as a BRAC requirement.

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Part II - Additional Information

Appendix A. Audit Process

Scope of This Audit. We reviewed supporting project documentation and other information for five planned BRAC MILCON projects at NTC Great Lakes resulting from the closure of NTC Orlando, NTC San Diego, and the Naval Station Treasure Island. This report provides the results of audit for one project (project P-164T, "Fire Station"), with a project cost of \$2.6 million, and a discussion of four projects that were addressed in two previous audit reports at NTC Great Lakes.

To evaluate the documentation the Navy used to justify the fire station project, we visited NTC Great Lakes, and the Naval Facilities Engineering Command Atlantic and Southern Divisions.

We obtained architectural drawings and floor plans, facility planning documents, historical and projected building configurations, minutes of meetings, repair and maintenance records, and other supporting information used to justify the fire station project. We reviewed documentation dating from August 1965 to January 1996.

Audit Period, Standards, and Locations. This economy and efficiency audit was performed from January 1996 through March 1996 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. The audit did not rely on computer-processed data or statistical sampling procedures. See Appendix E for the potential benefits resulting from the audit. Appendix F lists the organizations visited or contacted during the audit.

Appendix B. Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists the summary reports for the audits of BRAC budget data for FYs 1992 through 1996 and BRAC audit reports published since the most recent summary report.

Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-119	Defense Base Realignment and Closure Budget Data for the Construction of a Multiple Purpose Facility at Fort McCoy, Wisconsin	May 14, 1996
96-118	Defense Base Realignment and Closure Budget Data for the Medical and Dental Clinic Expansion Project at Naval Weapons Station Charleston, South Carolina	May 13, 1996
96-116	Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Force Base, Ogden, Utah	May 10, 1996
96-112	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Cecil Field, Florida, and Realignment of the Aviation Physiology Training Unit to Naval Air Station Jacksonville, Florida	May 7, 1996
96-108	Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania	May 6, 1996
96-104	Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport Rhode Island	April 26, 1996
96-101	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington	April 26, 1996

Appendix B. Summary of Prior Audits and Other Reviews

96-093	Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996	April 3, 1996
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Military Department BRAC Cost-estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON

Appendix C. Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1997 BRAC MILCON \$820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

Appendix D. Status of Selected BRAC Projects

Project P-569S, "Collocate Dental Research Facilities"

Project P-569S was programmed to satisfy office, laboratory, and other space requirements that were needed to accommodate the collocation of the U.S. Army Institute of Dental Research with the Naval Dental Research Institute at NTC Great Lakes.

Inspector General, DoD, Report No. 93-099, recommended that the Navy renovate existing facilities to meet collocation requirements and place the dental research collocation project on hold until space requirements were known and validated. In January 1996, we found that the Navy had revalidated project requirements. The Navy planned to award the contract for the dental research collocation project in late March 1996.

BEQ Reactivation and Renovations

Inspector General, DoD, Report No. 95-154, stated that in the FYs 1994 and 1995 budget submission, the Navy overestimated BRAC requirements for reactivating and renovating three BEQs. The report recommended that the Navy prepare adequate supporting documentation for the BEQ projects. The report also recommended that funds be reduced for one of the BEQ projects and that funds be deleted for non-BRAC related portions of the other two BEQ projects. As part of the audit followup process for Report No. 95-154, we reviewed the status of the three BEQ projects. Because NTC Great Lakes has awarded contracts for the projects, no further audit effort is planned.

Project P-582T. This project involved asbestos removal; electrical, mechanical, and plumbing repairs; energy conservation upgrades; new fire alarm systems; new paint; and replacement of built-in equipment. The reactivation will provide living accommodations for the increased student population. The contract for construction was awarded on December 8, 1994, and was scheduled for completion in February 1996. The total cost of the project was \$7.7 million.

Project P-585T. This upgrade project involved alterations to 15 BEQs and various training and administrative facilities. Alterations included bathroom and plumbing conversions, electrical modifications for washers and dryers, removal of asbestos floor tiles, and sandblasting of windows. The alterations will accommodate the female recruit population that was previously trained at other NTCs. The contract for construction was awarded in February 1994 and was completed in July 1994. The total cost of the project was \$2.6 million.

Appendix D. Status of Selected BRAC Projects

Project P-588T. Project P-588T was for energy conservation upgrades, improvements to mechanical systems, replacement of built-in equipment, and roof and shower repairs. The renovation will reactivate four buildings that were abandoned in the late 1980s. The contract for construction was awarded on December 1994 and is scheduled for completion in July 1996. The total cost of the project was \$5.4 million.

Appendix E. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount of Benefit
1.	Economy and Efficiency. Avoids inappropriate expenditures of BRAC MILCON funds.	Amount of benefit identified in Recommendation 2.
2.	Economy and Efficiency. Eliminates an unneeded project.	FY 1997 Base Closure Account Funds of \$2.6 million put to better use.

Appendix F. Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Department of the Navy

Chief of Naval Operations, Washington, DC

Naval Facilities Engineering Command, Alexandria, VA

 Atlantic Division, Norfolk, VA

 Southern Division, Charleston, SC

Naval Training Center Great Lakes, IL

 Service School Command, Great Lakes, IL

 Recruit Training Command, Great Lakes, IL

Naval Medical Research and Development Command, Bethesda, MD

 Naval Dental Research Institute, Great Lakes, IL

Appendix G. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Economic Security)
Deputy Assistant Secretary of Defense (Installations)
Assistant to the Secretary of Defense (Public Affairs)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Chief of Naval Education and Training
Commander, Naval Training Center Great Lakes
Commander, Naval Facilities Engineering Command
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
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Director, Defense Logistics Agency
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Inspector General, Defense Intelligence Agency

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Office of Management and Budget
General Accounting Office
 National Security and International Affairs Division
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Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Subcommittee on Military Construction, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Subcommittee on Military Construction, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security

Honorable Paul Simon, U.S. Senate
Honorable Carol Moseley-Braun, U.S. Senate
Honorable John E. Porter, U.S. House of Representatives

Part III - Management Comments

Department of the Navy Comments



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20380-1000

7 MAY 1996

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR
GENERAL FOR AUDITING

SUBJECT: DODIG QUICK REACTION REPORT ON DEFENSE BASE REALIGNMENT
AND CLOSURE BUDGET DATA FOR THE NAVAL TRAINING CENTER
GREAT LAKES, ILLINOIS (PROJECT 6CG-5001.07) -
INFORMATION MEMORANDUM

I am responding to the draft quick-reaction audit report forwarded by Attachment 1, concerning base closure and realignment budget data for the Naval Training Center Great Lakes, Illinois. The Department of the Navy response is provided at Attachment 2.

A handwritten signature in black ink, appearing to read "Duncan Holaday".
Duncan Holaday
Deputy Assistant Secretary
(Installations and Facilities)

Attachments:

1. DODIG memo of 8 Apr 96
2. DON Response to DODIG Quick Reaction Report of 6 Apr 96

Copy to:
ASN(FMB)
ASN(FMO-31)
NAVINSGEN (02)
COMNAVFACENGCOM (00G2)

Department of the Navy Comments



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



April 8, 1996

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)**

SUBJECT: Quick-Reaction Report on the Defense Base Realignment and Closure
Budget Data for the Naval Training Center Great Lakes, Illinois
(Project No. 6CG-5001.07)

We are providing this draft audit report for your review and comment. We are issuing this as a quick-reaction report because time is limited for adjusting and resubmitting the budget information discussed in this report. This report is one in a series of reports about Defense base realignment and closure military construction costs.

Management is requested to provide comments on this draft report that conform to the requirements of DoD Directive 7650.3. For us to consider management comments in preparing the final report, we must receive them by April 26, 1996. We normally include copies of the comments in the final report.

Management comments should indicate concurrence or nonconcurrence with the finding and the applicable recommendation and with the potential monetary benefits. Comments should describe actions taken or planned in response to agreed-upon recommendations and provide the completion dates of the actions. State specific reasons for any nonconcurrence and propose alternative actions, if appropriate. If management nonconcurs with the potential monetary benefits, comments should specify the amount at issue.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Michael A. Joseph, Audit Program Director, or Mr. Timothy J. Tonkovic, Audit Project Manager, at (804) 766-2703. If management requests, we will provide a formal briefing on the audit results. See Appendix G for the report distribution.

Shelton R. Young
Shelton R. Young
Director
Logistics Support Directorate

Department of the Navy Comments

DEPARTMENT OF NAVY RESPONSE

TO

DODIG QUICK REACTION REPORT OF 8 APRIL 1996
ON

DEFENSE BASE REALIGNMENT AND CLOSURE BUDGET DATA FOR THE NAVAL
TRAINING CENTER GREAT LAKES, ILLINOIS
(PROJECT 6CG-5001.07)

Recommendation 1: We recommend that the Under Secretary of Defense (Comptroller) delete \$2.6 million of Defense Base Closure Account funds for project P-164T, "Fire Station", and realign the funds to other unfunded projects.

Department of the Navy Response: Concur.

Recommendation 2. We recommend that the Commander, Naval Training Center Great Lakes cancel base realignment and closure military construction project P-164T "Fire Station", and delete the project valued at \$2.6 million for the FY 1997 budget.

Department of the Navy Response: Concur. P-164T has been canceled as a BRAC requirement.

Department of the Navy Comments

5800
Ser CE/ 00 24 14
6PR 26 1996

From: Commander, Naval Training Center, Great Lakes
To: Department of Defense Inspector General
Via: (1) Chief of Naval Education and Training
 (2) Chief of Naval Operations
Subj: QUICK-REACTION REPORT ON THE DEFENSE BASE REALIGNMENT
 AND CLOSURE BUDGET DATA FOR THE NAVAL TRAINING CENTER,
 GREAT LAKES, ILLINOIS (PROJECT NO. 6CG-5001.07)

Ref: (a) DoD IG Memo of 8 Apr 96

1. As requested by reference (a), concur with recommendation no. 2 in the draft report. A letter will be forwarded to Chief of Naval Education and Training requesting cancellation of the project from BRAC funding and adding it to MILCON funding by 30 April 1996.
2. For further information please contact my Command Audit Officer, Mr. Frank Columbus, at DSN 792-2765 or commercial (847) 688-2765.

P. A. Tracey
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Copy to:
NAVFACENGCOM

Audit Team Members

This report was produced by the Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Defense Base Realignment and Closure Budget Data for the Naval Training Center Great Lakes, Illinois

B. DATE Report Downloaded From the Internet: 12/03/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
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The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.